Securing the Success of DHS

Results 2005

DHS Results Agenda
Department of Homeland Security

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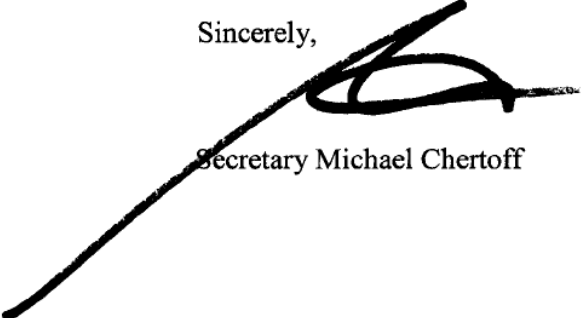
I. Letter from the Secretary

Dear Employees:

In 2001, President Bush announced the President's Management Agenda, an aggressive strategy for improving the management of the Federal government. The agenda focuses on five management areas across the government, including: human capital, financial performance, budget and performance integration, e-government and competitive sourcing. Each year, the Department compiles a "Report to Employees" to outline the progress we have made together in reaching these goals. I am pleased to present to you the 2005 PMA Report to Employees.

The Department of Homeland Security (DHS) exists to secure America – our families, our freedoms, and our way of life. If not for your hard work and dedication, we as a Department could not have had such astounding accomplishments. Our daily activities speak volumes about the critical work and results that we achieve in the name of national security. It is an honor to join you in your unwavering efforts as we fight for freedom.

More than two years ago, DHS was formed through the combination of 22 distinct agencies and 180,000 employees. Since its inception, the Department has sought to create a management system that supported the mission of Homeland Security, the people charged with implementing it, and the private sector and state and local partners that are so vital to its success. Although our responsibilities are varied, we are united in a common cause: to prevent another deadly and catastrophic terrorist attack such as, or greater than, the one we experienced on September 11, to reduce America's vulnerability to terrorism, and to minimize damage from potential attacks and natural disasters. Today, we operate and act as one Department and have effectively demonstrated a new level of coordination in all that we do to protect this great country. Together, we have proven stronger and more effective as a unified Department.

I commend you for all of your hard work on behalf of this country. Your results-oriented actions are what lead to the overall success of our Department. Thank you for your service and your continuing dedication to freedom.

Sincerely,

Secretary Michael Chertoff

II. Accomplishments

Through the *successful* combination of 22 agencies which were spun off from 10 different federal Departments, the Department of Homeland Security has achieved *astonishing accomplishments* thus far including:

Forming the Department

- Transferring more than $50 billon in assets, $36 billion in liabilities and more than 180,000 employees to the Department in March 2003 with no diminution of mission execution or operation.

DHS E-Gov Continuing to Achieve Results

- DHS currently supports three web platforms, DHSOnline – the DHS Intranet, DHSInteractive – DHS' secure extranet and DHS.gov – the public website. Over the past year, DHS has realized a 60% increase in DHSOnline usage, a 200% increase in DHSInteractive participation and DHS.gov supports more than 2.5 million hits a day.

- To further meet the Department's extensive information sharing needs, DHS is creating the DHS Enterprise Portal Program that will build on the success of current web and eGov initiatives. This program will build the department's enterprise portal architecture, consolidate duplicative, legacy websites and portals into a inter-operable environment, and create the universal touch point for homeland security information, services and applications.

- eMerge[2] has been developed as a business-focused effort that will deliver a consolidated enterprise solution. It will implement a system to consolidate and integrate budget, financial management, procurement and asset management capabilities.

- By October of 2005, DHS will have successfully consolidated 8 different payroll systems down to one.

Securing Transportation

- Since assuming responsibility for security at airports in February 2002, TSA screeners have intercepted more than 12.4 million prohibited items, including more than 1.9 million knives, 20,991 box cutters and 683 firearms.

- The Federal Air Marshal program was expanded to increase dramatically the number of flights protected with Air Marshal presence.

Securing our Borders, States and Localities

- DHS improved the capabilities of the Homeland Security Operations Center, the most comprehensive 24-7 warning system in the United States, by bringing 35 federal and local law enforcement agencies and Intelligence Community members into the same system.

- The Department provides states, and recently Governor's offices, with around-the-clock access to secure telephones, the ability to receive secure communications, and access to secure videoconferencing.

- The Department of Homeland Security created the National Cyber Security Division (NCSD), which is implementing aggressively a Cyber Security Tracking Analysis and Response Center to monitor cyber security incidents and to drive coordinated responses across critical infrastructure.

- DHS established the United States Computer Emergency Readiness Team (US-CERT) as a public-private partnership to provide a 24-7 capability to detect and respond to cyber attacks. US-Cert is the operational arm of the NCSD.

- More than a year ago, the Department launched the US-VISIT program at 115 airports and 14 seaports across the country to help ensure that our borders remain open to legitimate travel and trade but closed to terrorists. That program has been successful, processing more than 6.2 million people since the beginning of the year and apprehending over 750 potential entrants who appeared on criminal watch lists.

Securing our Children

- As of January 2004, *Operation Predator* has resulted in the arrest of more than 2,057 child sex predators nationwide, including the first four arrests in the nation brought under the new child sex tourism provisions of the Protect Act of 2003.

Through the hard work of the Department's dedicated employees, we expect even more success on the fronts of improving financial performance, human capital, competitive sourcing, E-Government, and budget and performance integration.

III. A Day in the Life

Today, U.S. Customs and Border Protection Agents will:

- Process over 1.1 million passengers arriving into our nation's airports and seaports;

- Inspect over 57,006 trucks and containers, 580 vessels, 2,459 aircraft and 323,622 vehicles coming into this country;

- Execute over 64 arrests;

- Seize 4,639 pounds of narcotics in 118 seizures;

- Seize an average of $715,652 in 11 seizures;

- Seize an average of $23,083 in arms and ammunition and $467,118 in merchandise;

- Deploy 1,200 dog teams to aid inspections;

- Make 5,479 pre-departure seizures of prohibited agricultural items;

- Apprehend 2,617 people crossing illegally into the United States and rescue 3 people illegally crossing the border in dangerous conditions;

- Deploy 35,000 vehicles, 108 aircraft, 118 horses on equestrian patrol and 480 all-terrain vehicles;

  Maintain the integrity of 4,000 miles of border with Canada and 2,000 miles of border with Mexico.

Today, United States Coast Guard units will:

- Save 15 lives and assist 117 people in distress;

- Seize $21 million worth of illegal drugs;

- Respond to 11 environmental pollution incidents;

- Investigate 20 vessel casualties;

- Board 4 high interest vessels and enforce 129 security zones;

- Assist 2,557 commercial ships entering and leaving port;

- Provide six patrol boats, a port security unit and four law enforcement teams in support of Operation Iraqi Freedom;

- Interdict and rescue 30 illegal migrants;

- Provide four cutters in support of Theater Security Operation;

- Provide ice safety information to facilitate 1.1 million tons of cargo shipped daily during the North Atlantic ice season;

- Board 192 vessels for Law Enforcement purposes;

- Protect $2.8 million in property;

- Board 122 large vessels for port safety and security checks; and

Today Federal Law Enforcement Training Center will:

- Provide law enforcement training for more than 3,500 federal officers and agents from 75 different federal agencies.

Today the United States Citizenship and Immigration Service will:

- Provide information and services to approximately 225,000 customers in one of its 250 field locations;

- Respond to 75,000 calls to its 1-800 customer service number that helps to assist our customers navigate the immigration process;

- Naturalize approximately 1,900 new citizens; and

- Process approximately 19,000 applications for a variety of immigration related benefits.

Today the Office for Domestic Preparedness will:

- Disburse millions of dollars to states and cities across the country to improve security at the local level.

Today, DHS Science and Technology employees will:

- Engage the best and brightest minds-along with the most advanced technologies-through three distinct Centers of Excellence which enlist academics, businesses, and scientists as partners with government to boost our efforts to develop enduring national research capability in homeland protection;

- Develop and implement technical standards for chemical, biological, radiological and nuclear countermeasures;

- Deploy radiation sensors to detect the illicit transport of radioactive materials;

- Receive approximately 27 new homeland security technology proposals from large and small businesses;
- Receive an average of six Homeland Security technology proposals submitted via the science.technology@dhs.gov email address.

Today, Department of Homeland Security Information Analysis and Infrastructure Protection employees will:

- Review more than 1,000 pieces of intelligence from the intelligence community and law enforcement agencies;
- Distribute 4 information bulletins or warning products to critical infrastructure about vulnerability assessments, risk reduction and protective measures;
- Receive and review 500 cyber security reports from Internet security firms, government organizations, private companies and foreign governments;
- Provide a security awareness training course to infrastructure facility owners/operators and first preventers;
- Work with private sector experts to develop self assessment tools, used to identify vulnerabilities (Vulnerability Identification Self Assessment Tool - ViSAT) and assess risk (Risk Analysis and Management for Critical Asset Protection - RAMCAP) to their facilities thus enabling them to implement appropriate protective measures;
- Conduct Assistance Visits in order to assist asset owners and operators identify vulnerabilities and mitigation options at high-priority facilities; and
- Assist local law enforcement and asset owners/operators in their communities with Protective Security Advisors.

Today, the United States Secret Service will:

- Protect high profile government officials including the President, the Vice President, visiting heads of state and former Presidents;
- Provide protection to traveling protectees in 17 different cities;
- Screen over 4,000 people entering protective sites;
- Examine 1,500 protective intelligence reports to assess potential threats to protectees;
- Complete 11 protective intelligence investigations to assess potential risk to protectees from individuals or groups;

- Open over 90 new cases involving financial and electronic crime, identity theft, counterfeiting, and personnel security investigations;
- Prevent over $6 million in financial crime losses to the American public; and
- Seize (on average) $172,000 in counterfeit currency.

Today, US Immigration and Customs Enforcement agents will:

- Make 68 arrests for customs and immigration violations, including financial crimes, child pornography, trade fraud, national security violations, drug smuggling, human trafficking, identity and benefit fraud, alien smuggling, and arrests of criminal aliens;
- Remove 443 criminal aliens and other illegal aliens;
- Participate in 23 drug seizures, resulting in the seizure of 4,292 pounds of marijuana, 904 pounds of cocaine, 8 pounds of heroin, and 7 pounds of methamphetamine;
- Make 9 currency seizures, totaling $607,103;
- Respond to 1,828 inquires from federal, state and local law enforcement, resulting in the identification of 16 criminal and wanted aliens;
- Review 800 classified intelligence cables
- Protect 9,000 federal facilities;
- Screen more than 1 million federal employees and visitors entering federal facilities;
- Make 13 arrests for criminal offenses on federal property;
- Intercept 1,567 weapons and other prohibited items from entering federal buildings, including firearms, knives and box cutters;
- Deploy hundreds of Federal Air Marshals to protect American flights, both domestic and international.

Today, Transportation Security Administration employees will:

- Screen approximately 2 million passengers before they board commercial aircraft.

Today, Federal Emergency Management Agency (FEMA) employees will:

- Improve the effectiveness of 788 of the nation's emergency management, response, and fire personnel through on- and off-campus training offered by FEMA's Emergency Management Institute and the National Fire Academy;

- Provide fire training to 3,766 students using the US Fire Administration's distance learning technology;

- Provide online training to 1,980 Federal, State and local personnel on the National Incident Management System (NIMS), National Response Plan (NRP) and Incident Command System (ICS);

- Assist 10 Federal, State, and local government entities with improving their Continuity of Operations (COOP) plans and programs through training, exercises, and direct guidance;

- Help States and communities avoid over $896 million in potential property losses, disaster and other costs through FEMA's flood plain management and mitigation grant programs;

- Help over 498 communities take or increase actions to reduce natural or man-made disaster risk;

- Help 4.6 million policyholders in over 20,000 communities secure flood insurance coverage to protect their property;

- Provide support to 60,000 disaster victims by stockpiling supplies in SeaLand containers and storing them at key locations across the country;

- Ready 12,000 emergency housing units for use by displaced disaster victims;

- Ensure the readiness of the nation's 104 National Disaster Medical System response teams and 28 Urban Search and Rescue Task Forces to respond to disasters or emergencies anywhere in the U.S.;

- Disburse over $7.5 million in Federal disaster assistance to help communities respond to and recover from disasters;

- Register more than 1,500 disaster victims for Federal disaster assistance and approve over $1 million in disaster housing assistance; and

- Disburse nearly $3 million in grant projects to help communities' recovery from damages to public infrastructure from natural and manmade disasters.

- Manage and track over 1,500 deployed Disaster Assistance Employees deployed to disasters and emergencies across the country.

IV. DHS Vision, Mission, and Strategic Goals

The Department's Vision, Mission, and Strategic Goals govern the development of strategies, programs and projects, and ultimately are reflected in the Department's budget. Together with the Department's Strategic Plan, these statements reflect the determination of our nation to prevail against terror, to protect our homeland, and to create a better world in the process. Describing who we are and what we do, they convey the beliefs and values that govern our conduct. As employees of this new Department, we come to work every day knowing that our most important job is produce results that protect our fellow citizens.

VISION STATEMENT

> Preserving our freedoms, protecting America…we secure our homeland.

MISSION STATEMENT

> We will lead the unified national effort to secure America. We will prevent and deter terrorist attacks and protect against and respond to threats and hazards to the Nation. We will ensure safe and secure borders, welcome lawful immigrants and visitors, and promote the free-flow of commerce.

STRATEGIC GOALS

Awareness – Identify and understand threats, assess vulnerabilities, determine potential impacts, and disseminate timely information to our homeland security partners and the American public.

Prevention – Detect, deter, and mitigate threats to our homeland.

Protection – Safeguard our people and their freedoms, critical infrastructure, property, and the economy of our Nation from acts of terrorism, natural disasters, or other emergencies.

Response – Lead, manage, and coordinate the national response to acts of terrorism, natural disasters, or other emergencies.

Recovery – Lead national, state, local, and private sector efforts to restore services and rebuild communities after acts of terrorism, natural disasters, or other emergencies.

Service – Serve the public effectively by facilitating lawful trade, travel and immigration.

V. Where We Have Come From and Where We Are Going: The Past, Present, and Future of DHS

1. Human Capital

THIS IS WHERE WE STAND:

DHS developed its first Human Capital Strategic Plan (HCSP) to address human resource management challenges and ensure strategic management of our workforce. It was inspired by the President's Management Agenda, and incorporates the key principles and values of the Department as outlined in the Departmental Strategic Plan. It also establishes the framework within which the new human capital management system, MAX^{HR}, will be developed. The Plan is a living document, serving as an ongoing guide to target and prioritize initiatives. We expect that the objectives and strategic initiatives described in this Plan will enable the Department to build a high performing organization that is focused on mission accomplishment. It will generate respect, trust, and above all, support for the primary mission of DHS – protecting our homeland.
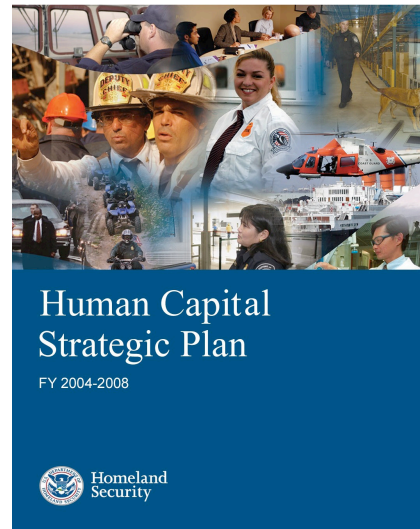
Human capital issues challenge many organizations around the world. The DHS human capital challenges include two distinct dimensions of unprecedented importance and complexity in the Federal arena:

1. **The People Dimension** – reflecting the impacts associated with A MERGER OF DHS PROPORTIONS and the desire to create a culture that promotes common identity, innovation, mutual respect, accountability and teamwork (the largest transformation of government structure in 60 years).

2. **The Function Dimension** – reflecting the impacts associated with THE DEVELOPMENT AND IMPLEMENTATION OF A NEW DHS HUMAN RESOURCES SYSTEM; including communications, change management, technology, and leadership development (the largest transformation of civil service regulations in 40 years).

To address these dimensions the Plan identified four overarching goals with 15 strategies designed to ensure their respective goal accomplishment. All DHS components joined together in implementing the strategies.

Completed strategies are identified with a check mark.

GOAL: TO SATISFY OUR CUSTOMERS, WE WILL IMPROVE THE HIRING PROCESS!

At the first annual DHS Senior Executive Service (SES) Leadership Conference in 2004 and in focus groups with over 55 line managers from around the Department, the need to streamline the hiring process was identified as the most crucial step the Human Capital community could take to improve support to the men and women on the front lines of DHS. Accordingly, we identified this as one of our four goals and developed two strategies for initial efforts.

In the eight months since the Human Capital Strategic Plan was signed, we have completely mapped and assessed the current hiring process and have succeeded in meeting the 45-day hiring model established by the Office of Personnel Management. Responding to requests to further streamline hiring, CHCO has formed an eRecruitment working group that will examine enterprise-wide technology solutions.

✓ Strategy 1	Develop an effective recruitment program to create a diverse and high-performing talent pool
✓ Strategy 2	Streamline the DHS hiring processes to meet Federal standards of 45 days
Strategy 3	Coordinate Human Capital and personnel security processes to streamline the process associated with filling positions

As part of this effort, CHCO has reached out to the Personnel Security community and the two are working to identify a common DHS hiring process, including clearance procedures, that will capture efficiencies and better inform applicants. In addition, the Chief Human Capital Office (CHCO) staff, working with representatives from the components, has developed a DHS-wide recruitment plan, and associated marketing materials to facilitate recruitment efforts and give the Department the tools it needs to attract crucial talent.

The Department's commitment to creating and maintaining a workforce that reflects the diversity of America was demonstrated through a variety of initiatives, including a number of outreach and recruitment activities. Of particular note are the Department's outreach efforts to the Arab-American and Muslim-American communities, disabled veterans returning from Iraq, and our efforts to increase the employment of people with disabilities. The DHS Headquarters (HQ) EEO Officer accompanied three HQ officials to Walter Reed Hospital to meet with critically wounded veterans and to assist the veterans in exploring opportunities for retraining, mentoring, and future employment opportunities with DHS. Follow-up meetings have been scheduled and the first group of interns from the Wounded Soldiers program started in June 2005.

A special initiative to increase the employment of people with disabilities was started and, as a result of this initiative:

- All DHS components have a Selective Placement Coordinator;

- Over 4,000 managers DHS-wide were trained on disability issues;

- 48 interns with disabilities were hired;

- The percentage of people with targeted disabilities employed by DHS HQ increased by 41 percent;

- DHS received the Computer/Electronic Accommodation Program's (CAP) 2004 Annual *Real Solutions for Real Needs Award* for a large agency in recognition of its efforts under the CAP partnership.

GOAL: TO SUCCEED FINANCIALLY, WE WILL OPTIMIZE SHARED SERVICES

Since its inception, the Department, responding to the President's Management Agenda, has maintained a focus on reducing layers and moving to more efficient operations. In addition, DHS faced unique challenges as it not only began the design and implementation of a new set of personnel rules, but simultaneously began to build an entirely new support structure. This effort continues to require complex coordination across multiple functional lines, recognizing that initiatives underway in other organizations must be incorporated in both plans and implementation.

To realize the efficiencies that can be gained through shared services, the Department established and then expanded a shared services center hosted by Customs and Border Protection (CBP). This center provides human resources operations support for CBP, DHS headquarters (HQ), Citizenship and Immigration Services (CIS), and Immigration and Customs Enforcement (ICE). Human resource shard services has

> ✓ **Strategy 1** Identify common core business processes to enable shared services
>
> ✓ **Strategy 2** Realize cost savings and customer improvements through the use of shared service arrangements
>
> **Strategy 3** Develop a Department-wide training strategy and assess the feasibility of establishing a 21st Century Leadership Training and Development Institute

achieved savings of over 200 positions. 150 HR positions were redeployed to program offices in ICE, CIS, and CBP and more than 50 vacancies were not refilled. These savings were possible because of process improvements and more efficient use of resources for providing HR services. The HR staff emphasized costumer service by ensuring that employees received their career ladder promotions, were paid correctly and timely, and received information about benefits. Customer satisfaction significantly decreased when a CareerFinder (automated hiring system) could no longer be used. The USA Staffing system is now being used and backlogs are being reduced. To ensure anticipated improvements are realized, Service Level Agreements are in place, metrics are being developed, and an evaluation of service efficiency is being launched.

The Department is now completing its transition to a single payroll provider (from 8 previous providers) and is ready to implement the Department's first enterprise-wide automated HR support system through an electronic performance management system. This system provides the tool that managers and employees will use to ensure the credibility and transparency required for the success of the new pay-for-performance system, called MAXHR.

The Training Leaders Council (TLC), an advisory and coordination body, and associated subgroups continue to address key DHS education, training and professional development strategies and tactics. Members of CHCO staff, along with representatives from the DHS components serving on the TLC, developed a DHS Learning and Development Strategic Plan that not only contained specific goals and strategies for FY 2006, but laid out a shared, Departmental long-range vision and goals for FY 2007-10.

GOAL: TO EXHIBIT HUMAN CAPITAL EXCELLENCE, WE WILL FOSTER A "ONE DHS" ORGANIZATION CLIMATE

In addition to the recruitment branding discussed previously, the Department formed a Human

Capital Staffing Council comprised of representatives from all DHS components. This Council works to resolve cross-organizational issues and ensures the integration and awareness of cross organizational hiring needs.

The Department, through the TLC, has also developed a DHS Leadership Competency Framework that all DHS components are using to guide their leadership and training development efforts, ensuring continuity of leadership across the Department.

A crucial success factor for organizational flexibility is the ability to identify and leverage competencies within the existing workforce and to augment the workforce in a way that will best provide access to crucial competencies that are not readily available. To meet this challenge, the CHCO staff, along with representatives from the DHS components, completed a Consolidated DHS Workforce Plan for all mission critical positions, including leadership positions. The Plan has been implemented throughout the Department, providing a vehicle that will foster the alignment and integration of leaders, resources, systems, processes, and people.

By using the Office of Personnel Management's Federal Human Capital Survey, the Department also completed its first organizational human capital survey, providing Departmental leadership with a baseline of employee attitude data. DHS employees like the work they do, believe their work is important, and have a good understanding of how their work relates to DHS goals and priorities, according to this survey taken in 2004. Under the Department's Human Capital Accountability System, this baseline data will be used to identify our strengths and provide indicators that will help prioritize future human capital actions and initiatives. Employees have access to the survey results which will support the Department's commitment to openness with employees.

✓ Strategy 1 Establish a common DHS recruitment brand and ensure integration and awareness of cross-organizational hiring needs across the Organizational Elements

✓ Strategy 2 Develop a DHS leadership curriculum that ensures consistency of organizational values across the Department

✓ Strategy 3 Implement a consolidated DHS Workforce Plan, including all mission critical occupations and executive positions

✓ Strategy 4 Conduct a Department-wide organizational human capital survey

Strategy 5 Establish DHS human capital policies and operating procedures covering absence and leave, awards, compensation and benefits, executive resources, learning and development, staffing, LR/ER, classification, and employee work life

"It is important that we devote time and energy to hearing and addressing employee concerns."

Secretary Chertoff

As a new organization, policies and procedures that a more mature organization would have developed and perfected over time need to be developed and implemented virtually immediately. Some are required in order to comply with Federal laws, rules, and regulations, others are required as good business practices, but all are needed. To date, 20 directives have been published, including an Executive Resources Management Directive that includes milestones for filling SES positions in support of a 30-day hiring model. DHS has also applied for and received provisional certification for the DHS SES performance appraisal system, which provides for effective differentiation between levels of performance and for specific linkages to DHS overall mission goals.

GOAL: TO ACHIEVE OUR VISION, WE WILL IMPLEMENT MAX^{HR}

The Chief Human Capital Officer, the Deputy Chief Human Capital Officer, key members of their staff, representatives from the DHS components, and union representatives worked with staff from the Offices of Personnel Management and Management and Budget to write the final regulations for the Department's human resources management system, known as MAX^{HR}. The regulations were published on February 1, 2005.

MAX^{HR} will ensure a stronger correlation between pay and performance by linking individual and organizational performance and holding managers, supervisors, and employees accountable for results. As called for in regulations, new employee and labor/management relations systems go into effect this summer, along with the Homeland Security Labor Relations Board. Beginning in the new fiscal year, the new performance management system will be deployed, ensuring the cascading of performance goals and competencies throughout the organization. The proposed performance management system is designed to more accurately measure employees' competencies and contributions.

All of these new systems will have a profound effect on DHS culture and personnel. **Introducing and implementing MAX^{HR} will be a major change for all employees in the organization and all employees, not just leaders, will be instrumental in bringing about its success.** In recognition of the importance of this initiative on the organizational culture, DHS is investing significantly in training and communications. This includes communications both from and to employees. To date, for example, this has included eliciting information from employees through focus groups and a communication survey as well as using a variety of methods to provide information to employees, such as a satellite broadcast to all employees, information mailed out with each employee's statement of earnings and leave, a dedicated website and a Brief the Briefer Toolkit that provides managers with information they can pass on to their employees. In addition to communications and outreach efforts that have been heavily utilized in the development of the system to date, all managers, employees, and HC practitioners throughout the Department will be provided with ongoing training and communication opportunities to better understand and embrace the new DHS human resource system. Training for executives is currently underway and will cascade to supervisors beginning in the summer and continuing through fiscal year 2005. To continue the cascade concept, supervisors will undergo a _-day practicum so that they will be prepared to facilitate their employees' training.

✓ Strategy 1	Implement new employee and labor/management relations systems, including the establishment of a DHS Labor Relations Board, in accordance with legislative requirements, that enhances DHS workforce responsiveness, while balancing collective bargaining obligations
Strategy 2	Prototype a Department-wide Human Capital system to support regulatory changes and shared services at an optimal and responsible cost
Strategy 3	Deploy new performance management systems Department-wide, including linkage of organizational and individual performance expectations throughout the enterprise
Strategy 4	Prototype a new market-based compensation system that improves the Department's ability to attract and retain critical talent
Strategy 5	Conduct communications and training program in support of MAX^{HR}

WHERE WE ARE HEADED:

DHS' first Human Capital Strategic Plan, designed to cover the period from 2004 through 2008,

described 15 strategies for achieving our overall goals, many of which are designed as ongoing strategies. At this point, nine of the 15 have been completed – well ahead of schedule. The Plan was designed to be a repetitive process, anticipating revisions on an annual basis. These revisions must, however, take into account the significant work that lies ahead as DHS implements MAX^{HR}. This new system will:

- Support the establishment of clear performance expectations aligned with organizational goals that are cascaded throughout the organization;

- Create a stronger link between performance and pay;

- Promote a continuous learning environment;

- Create new opportunities for leadership development; and

- Enable the Department to continue to attract the best and brightest, to reduce skills gaps in mission-critical occupations, and to sustain and improve diversity.

Specifically, during fiscal year 2006, the Department will be implementing a new performance management system, including automated support tools, phasing in a pay-for-performance system in several organizational components, and evaluating the effectiveness of training and making necessary adjustments. The Department will also implement a robust evaluation initiative that will track the degree to which delivered systems successfully address Departmental needs.

The Department will continue its focus on Leadership Development, completing all executive and supervisory training and linking the SES performance management system to the new automated tool and to MAX^{HR}. This will facilitate the cascade of goals and objectives from the highest levels in the organization to front-line employees.

As competency gaps are further defined, steps will be taken to bridge those gaps and to sustain and improve the diversity of our workforce.

The CHCO is also dedicated to overall improvement, both by getting to green on the President's Management Agenda in fiscal year 2006 and by identifying mitigation steps that can be taken to improve scores on the DHS-wide employee survey.

2. Competitive Sourcing

Competitive Sourcing is a tool "to achieve efficient and effective competition between public and private sources." President's Management Agenda, Fiscal Year 2002.

Competitions are held in which the cost and overall value of services are compared among private sector and Federal government providers. Winners are selected based on who can deliver the best services at the best value for the American taxpayer regardless of whom the provider is.

It continues to prove its worth as a critical management tool to:

- Assure long term DHS mission capabilities in the face of attrition and retirements;

- Provide the benchmarking of service quality and cost;

- Identify resource savings (FTE and dollars) for redirection to expanding mission requirements.

THIS IS WHERE WE STAND:

The acquisition and provision of efficient and effective mission support is fundamental to the Department's ability to combat terrorism and to protect our borders. Within the Office of the Under Secretary for Management, Office of the Chief Procurement Officer, efforts have been undertaken to coordinate two important initiatives – *competitive sourcing and strategic sourcing* – in order to provide comprehensive policy guidance and oversight of the performance of commercially available support.

While competitive sourcing addresses the possibility of public-private competitions, the DHS strategic sourcing program addresses the DHS-wide need to improve the acquisition of goods and services already performed by contract. This approach considers Department-wide spending and performance requirements, existing suppliers and marketplaces and coordinates fiscal year budgeting and acquisition cycles for the competition of commercial goods and services.

Within the Office of the Chief Procurement Officer, DHS has established the Office of Competitive Sourcing and Privatization. This office provides policy guidance regarding the performance and acquisition of commercial support services provided by Federal resources, the development of the annual Federal Activities Inventory Reform (FAIR) Act inventory of commercial and inherently governmental activities, the implementation of the Competitive Sourcing Initiative, and to serve as a point of contact for other privatization initiatives that may be developed within the Department.

The 2004 DHS FAIR Act inventory listed 175,000 Full Time Equivalent (FTE) of which 67,000 were determined to be performing commercially available support services.

The Department has and will continue to rely on a mix of federal and contractor resources to assure that commercial support services meet mission performance requirements, encourage innovation and facilitate the best value.

The Department has:

- Established the framework to integrate the dynamics of competitive sourcing, strategic sourcing, workforce planning, and budgeting in all 22 legacy agencies;

- Completed over 60,000 contract actions (excluding purchase cards) involving over $6 billion and an additional 3,000 interagency agreements involving $3 billion;

- Established an internal DHS Competitive Sourcing Scorecard for DHS Components that mirrors the Department's PMA scorecard with OMB;

- Completed 5 A-76 competitions, involving 151 FTE and yielding over $12 million in annual estimated savings;

- Announced A-76 studies in accordance with the DHS 04 and 05 DHS Yellow Plan;

- Completed the USCG NavAids feasibility study, identifying the work of over 3,000 military positions that may now be considered for performance by the federal civilian employees or the private sector;

- Established a Department-wide program of cross-functional Commodity Councils tasked with creating strategies designed to improve the quality of procurements for goods and services, generating $14 million in savings in FY 04;

- Implemented a robust acquisition planning program that requires each DHS component including DHS HQ, to identify individual procurements and apply that process to Standard A-76 competitions;

- Completed Revisions to DHS web-based FAIR reporting System;

- Submitted DHS's 2nd annual FAIR Act inventory, increasing the number of Reason Code "B" FTE subject to competition from 8,884 FTE in 2003 to 20,910 FTE in 2004;

- Improved the DHS public access web-site for competitive sourcing;

- Issued DHS definitions for DHS "Big 4" FAIR function codes (D, I, S & Y codes).

DHS Competitive Sourcing in Context

Full DHS Performance Requirements (Commercial Support)

In-house Competition Plan

Functional Inventory Development

Section 647 Annual Coordination Report to Congress

Competitive Sourcing

Reviews Contract

COMPETITION

Occupational Workforce Planning

Budget, Planning & Execution

Strategic Sourcing

Human Capital Resource Planning

Commodity Councils

Retirement Bulge

DHS/CFO Program Planning Guidance for FY 06 – FY 09

8

"While much has been accomplished, much remains to be done. We must and will ensure that the integrity of the procurement process becomes the critical measure of our success."

Statement before the House Government Reform Committee, Thursday, June 9, 2005

WHERE WE ARE HEADED:

The fight against terrorism requires every manager and DHS employee to maximize the effectiveness of every support dollar. DHS needs our employees and our private industry partners—large businesses, small businesses, minority owned, and others—to help us achieve our mission of securing our homeland. What we need is the very best in terms of people, ideas, imagination, and alternative approaches.

Competitive sourcing is one of the critical tools DHS will use to test performance quality and cost assumptions, improve performance accountability, and seek alternative and innovative

approaches to meeting critical needs.

In the near future, DHS will continue to focus on improving and validating its FAIR Act inventory. It will also expand the infrastructure necessary to integrate competitive sourcing, strategic sourcing, and workforce planning.

We will:

- Focus on the coordination of attrition requirements, competitive sourcing opportunities, and the development of accurate hiring requirements;

- Coordinate budget requirements with the opportunities to improve contracting, lessons learned, and the possibilities of consolidating requirements.

DHS has begun to build a business operations model that relies on full and open competition to ensure maximum benefit to all Americans.

In the future, DHS will focus:

- On those commercial activities that have never undergone the dynamics of competition;

- On providing increased opportunities to submit public offers for currently contracted and reimbursable work;

- On improving our performance contracting, to ensure that quality, innovation and technology have a place in the competition on a level playing field.

STRATEGIC GOALS:

- Issue DHS FAIR Act definitions for Law Enforcement and Arrest Authority.

- Develop a comprehensive Competitive Sourcing Competition Plan, with associated resource requirements and budgetary savings estimates through FY 10.

- Shape the DHS management culture to pursue full and open competition as a common means to provide commercial activities and to preserve resources for core missions.

- Report performance improvements and cost reductions achieved through competitive sourcing to the Congress, in accordance with Section 647(b) of the Consolidated Appropriations Act for Fiscal Year 2004.

- Educate the Department's acquisition, human resource and operations workforce to integrate a strategic approach to the identification of competitive sourcing solutions, to emerging skill gaps, and workforce weaknesses identified as a part of the Human Capital Resource Planning process, and to cascade the agency's human capital, workforce planning, budget, strategic planning, and competitive sourcing processes to all levels of the organization.

- Continue Preliminary Planning for FY 06 competitions.

- Submit 2005 FAIR Act inventory to OMB.

Finally, DHS is concentrating on improving its levels of performance contracting, both in the context of its competitive sourcing program and as a part of its overall procurement program. In addition, the Office of the Chief Procurement Officer is focusing on ways to improve the Competitive Sourcing, Strategic Sourcing and Supply Chain Management essential to the war on terrorism. We will continue to identify redundancies to see where we can consolidate and gain efficiencies while seeking to obtain even more in the acquisition or provision of these kinds of support activities.

3. Improving Financial Performance

THIS IS WHERE WE STAND:

To strengthen the accountability of the use of taxpayer resources, to provide accurate and reliable financial information in support of management decisions, and to meet all legal requirements, the DHS has:

- Formed an Internal Control Committee (ICC) with representatives from all components and functional areas to meet the requirements of The Department of Homeland Security Financial Accountability Act. This Act requires DHS to meet internal control requirements in advance of all other Federal agencies. DHS must include an assertion of internal control over financial reporting in its FY 2005 Performance and Accountability Report (PAR). In FY 2006, DHS must complete an audit over internal controls. The Act requires DHS to design and implement Department-wide internal controls which permit Congress and DHS managers to assess the efficiency that DHS uses to execute its strategy. To date, the ICC has approved a charter, published an implementation guide, conducted training, and begun test and design work. **These efforts will document and ensure that major financial processes are under sufficient internal control to prevent waste, fraud, and abuse of taxpayer dollars.**

- Developed and widely distributed a Chief Financial Officer (CFO) Vision for DHS Financial Reporting which establishes the following three year goals:

  1. Timely submission of Performance and Accountability Reports to OMB and Congress;

  2. No material weaknesses in internal control over financial reporting;

  3. An unqualified audit opinion on the Consolidated Financial Statements;

  4. A qualified audit opinion on Internal Controls.

This Vision, when fully implemented, will eliminate the ten material weaknesses of internal control over financial reporting identified in the FY 2004 DHS Financial Statement Audit and meet fully the internal control requirements of the Homeland Security Financial Accountability Act. The Vision blends corrective action plan work on identified material weaknesses, an Internal Control Plan to test and correct program and financial processes, and appropriate levels of audit scrutiny over DHS components. DHS' goals emphasize efficient purchase of audit services, full visibility of all inherited and ongoing financial reporting weaknesses, correction of all material weaknesses, and production of financial statements free of material errors.

- Increased the number of stand alone component audits from one in FY 2004 (TSA) to two in FY 2005 (CBP Balance Sheet Only added). This increased use of Standalone audits is consistent with the CFO Vision Plan and requires a greater level of testing detail in support of a more precise assurance finding of the financial statements from the components.

- Undertook a resource management transformation initiative called **eMerge^2** that will deliver consolidated enterprise solutions for budget, financial management, acquisition, grants and asset management support. The program has established the business requirements for all DHS streamlined business processes and developed an end-state vision for financial management. Once fully implemented, eMerge^2 will result in financial savings by eliminating the need to maintain costly, duplicative systems. It will also improve departmental oversight and accountability of component operations in the budget, financial management, procurement, and asset management areas as well as provide better and more accurate information for frontline mission decision-makers.

- Consolidated accounting services for TSA and FPS within DHS.

- Saved taxpayer dollars every day through the DHS bank card program. In the second quarter of FY 2005, DHS received a purchase card refund of $1.8 million or 1.9% of total purchases. Additionally, each purchase card transaction saves an estimated $54 in reduced administrative costs (far fewer payments and no procurement time). Given DHS' $360 average transaction size and total purchase volume of $95 million for the second quarter of FY 2005, there were savings of roughly $14 million in reduced administrative costs.

- Completed the centralization of purchase card payments across all components thereby eliminating the possibility of DHS incurring any related delinquent debt.

- Received $465,000 in refunds over the first two quarters of FY 2005 for the travel program.

- Received refunds of over $50,000 over the first two quarters of FY 2005 for the fleet card program, in addition to recouping all applicable fuel taxes.

- Began full scale recovery audit contract work at CBP and ICE. This work will examine all FY 2004 disbursements for accuracy.

WHERE WE ARE HEADED:

- DHS is committed to implementing the CFO's Vision for Financial Reporting. It involves a three year plan that will furnish auditors with sufficient evidential materials to support an unqualified opinion on audited financial statements and a qualified opinion on internal controls.

- DHS is aggressively tracking corrective action plans for all auditor identified and Integrity Act material weaknesses in internal control. In FY 2005, DHS plans on resolving at least two of the FY 2004 DHS material weaknesses. All weaknesses are targeted for correction by FY 2007.

- DHS will provide timely and complete input to support an accelerated November 15, 2005 deadline for audited financial statements.

- DHS is expanding its improper payments work. A grants program has been identified as being at high risk for issuing improper payments. Work is underway to improve the internal controls over this program to reduce substantially the number and amount of improper payments.

- DHS will closely monitor the results of FY 2005 recovery audit contract work to see if a further expansion of this program is in the interest of taxpayers.

4. Electronic Government

THIS IS WHERE WE STAND:

The Department of Homeland Security is using Information Technology (IT) to enable and support our mission. Information technology provides the Department with a competitive edge; every program in the Department stands to benefit by exploiting information technology to prevent terrorism. Information technology will also help to facilitate the movement of goods and people. Whether it is sharing the latest geo-spatial data with our Federal, state, local, and tribal partners, or processing immigration benefits, information technology will enable smarter, more customer friendly solutions for America.

One of our most important and difficult challenges is to eliminate redundant information systems and develop an enterprise architecture solution common to all agencies in order to enable information sharing.

In order to ensure better use of IT investments and to facilitate the manner in which our employees communicate and work, DHS has:

- Planned and executed uninterrupted transition of IT services and support from the 22 agencies transferred to the new Department;

- Developed and implemented "Day 1" Departmental IT launch connecting all major components;

- Implemented single email domain (dhs.gov) and white pages directory within 90 days of the creation of the Department;

- Published an IT modernization road map to better manage and implement our IT investments and developed proposals and plans to integrate existing systems;

- Formulated the first Department of Homeland Security Enterprise Architecture which is a comprehensive description of the Department's current and future business strategies and supporting technologies;

- Developed framework for integrated, Department-wide Information Security Program, and consolidated funding strategy to include the role-up of information security budgets for all Organizational Elements;

- Employed modern video teleconferencing technology to facilitate communications throughout the organization. In 2003, DHS deployed secure video teleconferencing, secure voice and facsimile equipment to 54 state Emergency Operations Centers (EOC). Secure video teleconferencing equipment was also deployed to 25 Governors' offices, three other Federal locations, and a secure 16-port video teleconferencing bridge at DHS Headquarters. The development and management of a central bridge for multipoint calling and the provision of state-to-state (EOC) secure video teleconferencing has enabled easy and effective communications for DHS employees as they formed into a single organizational culture;

- Established a one-stop, single web portal for Homeland Security grant and training programs;

- Implemented the Homeland Security Operations Center, the most comprehensive 24-7 warning system in the United States. This brought 35 Federal and local law enforcement agencies and Intelligence Community members into the same system, and introduced the Homeland Security Information Network. HSIN is a computer based counter-terrorism communications network currently connected to all 50 states and 20 major urban areas, which will soon be deployed to five territories, Washington, D.C. and 30 other major urban areas. This program significantly strengthens the two-way flow of real time threat information at the Sensitive-but-Unclassified level through the classified SECRET levels to state, local, and private sector partners;

- Provided state governments with around-the-clock access to secure telephones, the ability to receive secure communications, and access to secure videoconferencing. These tools will also be available to all governors' offices soon;

- Identified technical specifications for a short-term, baseline interoperable communications system that will allow first responders to interact by voice with each other, regardless of frequency or mode. If adopted at the state and local level, these specifications will enable most first responders to have some form of communication with each other during a crisis;

- Issued new standards in 2004 for major pieces of first responder equipment, including personal air filtration protection, personal protective clothing for personnel working in contaminated areas, and basic protective clothing for law enforcement for incidents involving possible chemical, biological, or radiological incidents among others;

- Released a technical Statement of Requirements document for future communications interoperability which is already prompting private sector response, with over 5,000 copies downloaded from the web site and the industry already proposing solutions compatible with those requirements;

- Completed initial assessments and inventory to identify all Departmental IT systems;

- Established a centralized Network Operations Center (NOC) that monitors, manages and administers the Department's core network which provides connectivity to all Department of Homeland Security components;

- Developed and signed more than 15 memoranda of understanding (MOUs) to develop a partnerships with e-gov initiatives;

- Participated in the Verification and Validation workshops hosted by OPM to examine business and information technology data and best practices for the financial, human resources, grants, health and case management lines of business (LoBs);

- Provided support to the re-launching and upgrading of USAJOBS website to provide greater functionality for the users searching for and applying to Federal jobs;

- Completed a draft 5-year strategic plan for IT Human Capital efforts involving the Information Technology (IT) Human Capital Center for Excellence, through collaboration of Office of the Chief Human Capital Officer (OCHCO) and Office of the Chief Information Officer (OCIO).

C&A (Certification and Accreditation) Remediation Program Plan
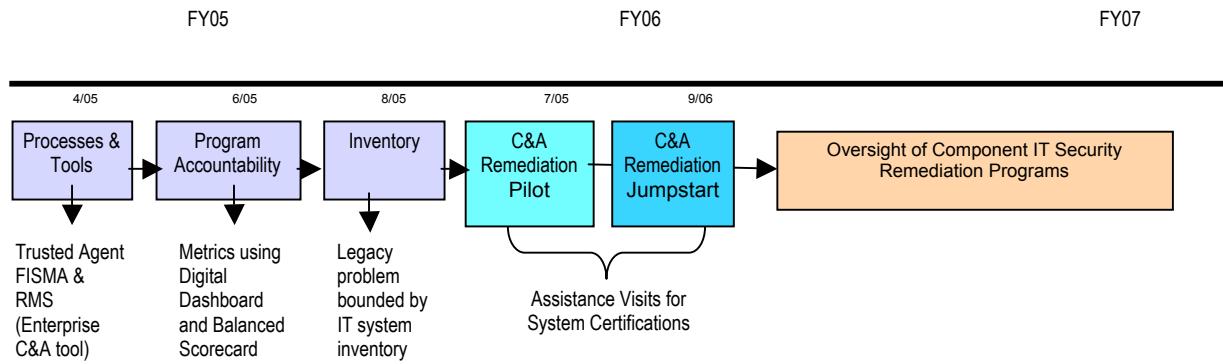
Department-wide C&A remediation completed by end of FY06

- A C&A Plan has two components:

  1. Certification: A comprehensive evaluation of the technical and non-technical security features of an IT system and other safeguards, made in support of the accreditation process, to establish the extent that a particular design and implementation meets a set of specified security requirements.

  2. Accreditation: A formal declaration by the Designated Approval Authority (DAA) that an IT system is approved to operate in a particular security mode using a prescribed set of safeguards at an acceptable level of risk.

WHERE WE ARE HEADED:

Merging 22 agencies presents significant information technology challenges. Rationalizing disparate technologies with conflicting business rules, consolidating data centers and networks, getting the right information to border agents, preventing cyber attacks against our mission critical systems, or even having a common email system must be achieved to enable fully our mission to secure American from terrorist attacks.

Challenges facing the IT function:

The challenge facing the IT function of DHS is very complex. There are three major areas of focus. The first is to ensure that the men and women on the front lines of the Department have all the IT enabled solutions, tools, and training they need to safeguard the United States and to deliver the Department's safety and service related missions. We must deliver new mission solutions with quality and speed, in a secure and cost-effective manner, while maintaining already existing mission solutions that were inherited when the Department was formed.

The second area of challenge addresses the integration of existing IT enabled solutions. Guided

by our Enterprise Architecture, the Department is identifying opportunities to consolidate and rationalize mission solutions. For example, in mission areas like threat identification and management, identity credentialing and collaboration, we have identified multiple solutions of use within the various organizational elements of the Department. The IT role is to facilitate the operators and subject matter experts in our agencies in determining the optimal number and mission solutions needed.

Finally, the third area of challenge is to realize efficiencies and economies of scale that the President and Congress have set forth in creating DHS. Here, we must rapidly identify and eliminate overlap within the IT infrastructure, as well as in key IT support programs including Information Security. However, we must ensure that we "do no harm" to mission solutions while we restructure, integrate, and consolidate our IT infrastructure.

In support of these priorities, DHS will:

- Continue to adapt and modify the DHS single wide area network (DHS One Network) that will centrally connect all directorates and offices within the department with one communication tool;

- Continue to consolidate and integrate Collaboration/Desktop Services, Network/Internet Access, IT Operations and Data Centers to provide for the optimal work environment that allows DHS employees to work and communicate in the most effective manner possible;

- Operate and maintain a single, collaborative DHS classified network, desktop services, operations and datacenters;

- Refine the Department's Enterprise Architecture to DHS to highlight overlapping, duplicative initiatives, and identify solutions to financial inefficiencies resulting in cost savings for US taxpayers;

- Ensure that all major IT systems will be certified and accredited in order to properly secure the information and tools that the Department utilizes every day to protect the American public;

- Continue to serve as the managing partner of Disaster Management and Project SAFECOM and the Information System Security (ISS) line of business (LOB) and is committed to advancing several e-Government initiatives that allow the general public to interface with their Federal government in more simpler and easier ways;

- Continue working with other partners on the Enterprise Human Resource Integration (EHRI) to provide a centralized mechanism to transform the manner in which Federal HR Specialist and Managers access human resource information and the way that all Federal employees access their personnel file information. This system when fully implemented will replace the current paper based Official Personnel Folder (OPF) with an electronic personnel data repository covering the entire life of Federal Employment;

- Provide continued support to the managing partner (OPM) for Recruitment-One-Stop, which will simplify the process of locating and applying for federal jobs. While the system will come with many new features; it will primarily provide intuitive job searching capability, on-line resume submission, applicant data-mining, and on-line feedback on status eligibility;

- Continue assessing DHS' information technology (IT) workforce under the Human Resource Line of Business (HR LoB) through the IT Human Capital Center of Excellence, which focuses on the unique long-term challenges of attracting and developing a highly capable and efficient IT workforce;

- Work to initiate the implementation of the approved developed architecture for improving the Advance Distributed Learning (ADL) study for a HQ-wide learning management system (LMS).

5. Budget and Performance Integration

THIS IS WHERE WE STAND:

By the close of fiscal year 2004, DHS's improvement in budget and performance integration resulted in an increase in the President's Management Agenda scoring "status" from red to yellow while maintaining the green status in "progress."

This improvement resulted from continued progress in integrating performance-based planning, programming, budgeting and execution. Programming and budgeting is driven to increase performance to achieve the DHS Strategic Plan. The strategic goals and objectives in our plan provided the framework and cornerstone of the Future Years Homeland Security Program and is the road map for driving performance through annual resource planning and program evaluations. We have linked performance goals with resource allocation plans to form performance driven budgets.

In order to continue a strong linkage between budget and management decisions, strategic planning and program performance, in the last twelve months the Department has:
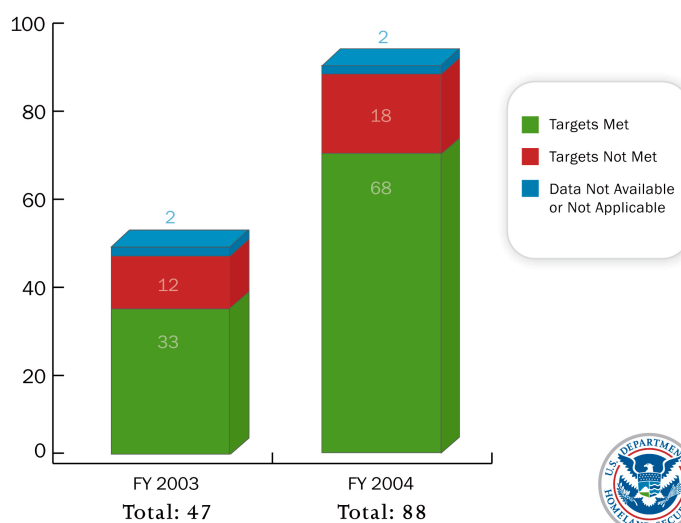
- **Developed the FY 2006 to FY 2010 Future Years Homeland Security Program (FYHSP)** – This five-year resource plan, submitted to Congress in March 2005, helps us meet our strategic goals and objectives by identifying our long-range strategies and resource requirements to implement priority programs. This plan also links all programs and associated performance measures and milestones to the Department's strategic goals and objectives. The Department is one of only three departments required by Congress to submit five-year resource and performance requirements.

- **Made strategic resource decisions** *performance based* – As part of the programming phase of the DHS process, performance impact of resource alternatives are foremost in operational and investment decisions. OMB PART evaluations played an important role. In the evaluation of 33 DHS programs by OMB for the FY 2006 performance budget, none were found to be ineffective.

- **Linked Program Goals to Program Budgets** – The Department's FY 2005 and FY 2006 budget requests are aligned to outcome-oriented goals and annual milestones that measure progress toward the Department's strategic goals and objectives, as articulated in the Strategic Plan.

- **Established the Planning, Programming, Budgeting and Execution System** – The Department implemented the "PPBE" system to ensure program requirements are properly planned and identified, are aligned with our mission and goals, and have measurable performance outcomes that are key to the organization's success.

- **Developed Program Efficiency** – Efficiency measures have been developed for all programs.

- **Trained Program Managers in Performance Budgeting** – The Department conducted training to educate program managers and staff on performance budgeting with a five-year perspective. This resulted in better long-range planning for resource requests and forward thinking for the initial development of the fiscal year 2005 budget.

- **Measured and Reported Performance on a Quarterly Basis** – The Department established a detailed milestone plan to achieve annual goals and objectives. A performance report is provided to senior managers on a quarterly basis. Progress toward achieving performance goals is reviewed individually and collectively by departmental managers.

- **Held executives accountable for results** – Senior Executive Service leadership at DHS has achievement of the annual Government and Performance Results Annual Performance Plan goals in the Performance Budget as part of their evaluations.

In FY 2004, 41 new program performance measures were developed to better assess and report on specific targets for a total of 88 performance measures over two years. During fiscal year 2004, we met or exceeded 68[1], or 77% percent of our performance targets. Of the targets reported, 71 were specified targets and 17 were successfully establishing a fiscal year 2004 baseline for performance. Where performance measures were not met, a detailed description and actions to resolve are provided in the tables that follow. For 2 or 3% of the performance measures, actual results are not reported.

Some examples of programs that met their performance budget targets for FY 2004 are provided below. They illustrate the matching of budget funding with performance that was promised, and delivered.

Department of Homeland Security Performance Measure Trends

Legend:
- Targets Met
- Targets Not Met
- Data Not Available or Not Applicable

FY 2003 — Total: 47 (33 Targets Met, 12 Targets Not Met, 2 Data Not Available)
FY 2004 — Total: 88 (68 Targets Met, 18 Targets Not Met, 2 Data Not Available)

Securing our Skies

The Department again exceeded its performance budget goal of obtaining a 94% data sufficiency rate in the Advanced Passenger Information System (APIS) with a 98% actual for the second year in a row. This measure is an estimate of the level of effectiveness of the primary processing method in identifying high-risk passengers identified through name checks against federal law enforcement databases. APIS is the primary database that U.S. Customs and Border Protection (CBP) uses to target suspect or high-risk passengers, while facilitating the flow of law-abiding travelers through the clearance process. APIS supports the Department's commitment to

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[1] Of these, 11 were estimated to be met.

protecting our homeland from acts of terrorism and reducing its vulnerability to the threat of international terrorists. The Department's fiscal year 2005 goal is to obtain a data sufficiency level of 99%.

Securing our Borders

The Department met its fiscal year 2004 performance target level of 99.9% of vehicles approaching the land ports-of-entry that comply with laws, rules, regulations, and agreements enforced by CBP. This high standard will be maintained in FY 2005 with a target of 99.9% compliance.

Anti-Smuggling

The Custom's-Trade Partnership Program (C-TPAT) met its target of 93% of sea-containerized cargo transported by members. The C-TPAT program improves oversight of trade security and provides a cadre of anti-smuggling experts dedicated to training, outreach, and security verification. This program protects the United States by working closely with industry and major importers who transport goods over land and sea borders. A target of 94% is set for fiscal year 2005.

Drug Bust

The United States Coast Guard (USCG) seized 146 metric tons of cocaine, a sizeable increase over the 62 metric tons seized in FY 2003. CBP officers seized an additional 20.2 metric tons of cocaine in FY 2004. This led to the goal of contributing to a safer America by prohibiting the introduction of the illicit drugs cocaine and marijuana into the United States.

Customs & Border Protection

The Department met its goal of removing 61% of aliens who have received an order of removal from an immigration judge in FY 2003 and did even better in FY 2004 by removing 80.7%, exceeding the FY 2004 target of 79%. A long-term target of 100% is set for fiscal year 2009.

Federal Emergency Management Agency

The Department successfully met and exceeded its target number of 500 communities taking or increasing actions to reduce their risk from natural or man made disasters. In fiscal year 2004, the Department documented that 735 communities took actions to reduce their risk through conducting pre-disaster mitigation activities, increasing their rating in the Community Rating System, joining the National Flood Insurance Program, participating in a Cooperative Technical Partnership, or implementing post-disaster mitigation projects. The Department's long-term fiscal year 2009 goal is to maintain a level of action consistent with its fiscal year 2003 target of 750.

Counterfeiting

The Department enhanced its performance budget goal of restricting counterfeit money being circulated to under $74 per $1 million of genuine United States currency. This limited the ratio of counterfeit notes passed on to the public to only $60 per $1 million of genuine currency. The Department is committed to reducing losses to the public that are attributable to counterfeit currency which threatens the integrity of our currency and the reliability of financial payment

systems worldwide. The Department's long-term goal is to keep counterfeit passed per million at less that $74 per $1 million (.0074%).

Financial Crime

The Department exceeded its goal of preventing at least $1 billion in loss attributable to financial crimes. This was achieved through conducting criminal investigations that resulted in the intervention or interruption of criminal ventures, which prevented $1.7 billion in loss attributable to financial crimes. The Department is committed to reducing losses to the public that are attributable to financial crimes and identity theft. The Department's long-term fiscal year 2009 goal is to maintain this level of enforcement.

Securing Leaders

The Department met its program performance budget target of providing incident-free protection for the Nation's leaders, other protectees, and visiting world leaders. The Department evaluated protective-related intelligence on groups, subjects and activities that pose threats to protected individuals, facilities, or events. Utilizing this intelligence, the Department was able to maintain the efficiency of its protective operations without compromising the security of protectees, facilities, and events. As there is no acceptable error rate for this measure, the Department's long-term goal is to maintain a level of 100% protection.

DHS monitors progress in meeting performance targets throughout the year. Quarterly Performance Reports are issued at the end of each quarter.

As of 2nd Quarter FY 2005, of 53 performance targets with current data available, 93% are expected to be achieved.

Legend:
- On Target
- Below but expect to meet
- Below do not expect to meet
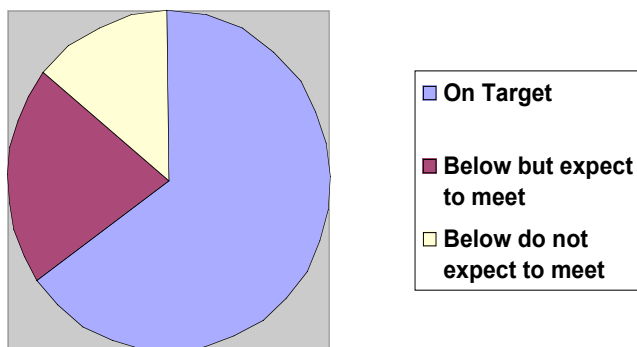
WHERE WE ARE HEADED:

DHS will continue to improve its ability to assess the efficiency and effectiveness in which our programs achieve goals. Through objective measurement and systematic analysis, efficiency will be better judged by use of our program measures and the evolution of comprehensive financial information. Through the Department's assessment and evaluation process conducted during the programming phase of the PPBE process, we will compare our performance to the expectations established by the President's Management Agenda. Using the Program Assessment Rating Tool (PART), we will continue to evaluate the purpose, design, and execution of our focus areas and major efforts to determine their overall effectiveness. Our annual Performance and Accountability Report to the Administration and to Congress will report on the evaluation of our progress toward achieving these goals.

Further, we will expand the scope of our program from outcome and efficiency measures to

process and output measures. This will provide a more immediate indication of how programs are achieving the planned results. We plan to complete this expansion during the remainder of FY 2005, so full benefit can accrue in FY 2006 and development of our FY 2007 performance based budgets.

Quarterly internal reporting will be expanded to include a more frequent focus on efforts to implement PART recommendations and efficiency measures.

The PART was developed to assess and improve program performance so that the Federal government can achieve better results. A PART review helps identify a program's strengths and weaknesses to inform funding and management decisions aimed at making the program more effective. The PART therefore looks at all factors that affect and reflect program performance including program purpose and design; performance measurement, evaluations, and strategic planning; program management; and program results. Because the PART includes a consistent series of analytical questions, it allows programs to show improvements over time, and allows comparisons between similar programs.

The training and development of skills in the use of performance metrics will receive prominent focus. As program managers sharpen their skills in the understanding and use of performance metrics, they can better use them to manage their programs.

6. Real Property

DHS continues its concerted effort to identify, define and improve its processes for managing real property holdings in accordance with Executive Order 13327 and to increase its accountability at all organizational levels. DHS owns approximately 90,000 acres of land and more than 13,210 buildings comprising a real estate portfolio of 75 million square feet, one of the largest in the Federal Government.

In March 2004, the DHS Real Property Council (RPC), comprised of the Components Administrators for Real Property Management, was formed to provide leadership, set clear goals and objective, and implement policy which results in a comprehensive and effective DHS real property asset management program. The RPC reports to the Senior Administrative Services Officers (SASO) council, comprised of the Components Administrative Services Directors, and helps to bring a broader focus in assisting the RPC's efforts. In an extensive and collaborative effort, the Department and its components have formalized current and proposed real property processes, accountability thresholds and management responsibilities in the format of a Departmental Asset Management Plan (AMP) for owned and commercially leased spaces. The Department's components have also developed their own specific AMPs following Departmental guidelines.

Additionally, DHS will augment its Performance Metrics across the components to gauge the effectiveness of real property management. Finally, efforts are underway to audit and validate the data contained in the integrated real property data base, the driving component of the future Department-wide inventory system.

Expected results include enhanced budget justifications for real property needs, identification of unneeded properties for disposal, and a more comprehensive inventory which leads to more effective real property management. Through these efforts, DHS managers will be better equipped to address space considerations to meet mission and program requirements.

THIS IS WHERE WE STAND:

- Completed the review of current RP inventory of DHS Operating Entities;

- Submitted inventory data to the Federal Real Property Profile database;

- Assessed existing Real Property Information Systems across all components;

- Developed structured reports on DHS-wide asset management performance metrics;

- Analyzed leased space, including core factor and occupant cost performance metrics;

- Submitted the draft of Department and OE AMPs to OMB for review and comment;

- Developed an initial methodology for DHS-wide co-location strategy;

- Developed justification for DHS-wide strategy to improve real property authorities across all components;

- Established Guiding Principles for OE asset management.

WHERE WE ARE HEADED:

DHS is moving into a new era of increased accountability and better management of the Department's real property resources. DHS actively recognizes real property as an important organizational asset. In the coming year, DHS anticipates implementing an improved AMP, incorporating Performance Metrics into daily decision-making at the component level, and realizing benefits of a more efficient and effective inventory management system.

One of the desired outcomes of the real property initiative is that DHS real estate will be viewed as an integral part of the DHS mission. The new real property data system will allow DHS Asset Management to establish and maintain close links between DHS' programs and projects, and its corporate business and real property strategies. Achieving excellence in the management of real property includes the deployment of timely and accurate data systems, the implementation of performance measures, and the use of benchmarking and the best practice tools. In-turn, this ensures that DHS has the necessary assets in place to support its mission.

This approach also assures that DHS' real property assets are:

- Available;

- Of the right size and type;

- Safe, secure, and sustainable;

- Able to provide quality workplaces;

- Affordable;

- Operate efficiently and effectively.

The anticipated near-term results of the Real Property Program's focus include:

- Expanded asset portfolio tracking and analysis capabilities;

- A comprehensive real property management strategy;

- Reduced maintenance and operating costs for owned real property holdings.

- Achieving compliance with Executive Order 13327

    Achieving compliance with EO 13327 means meeting the requirements of the Federal Real Property Council, including refining the Department's asset management plan, reporting on Government-wide performance metrics through the further development of goals and benchmarks, and continuing to provide timely and complete information to the Federal Real Property Profile. Full adherence to the executive order also ensures that the Department's real property investments are based on sound financial principles and meet DHS' and taxpayer's needs.

7. Research and Development Investment Criteria

> "The Nation's advantage in Science and Technology is a key to securing the Homeland…Just as science has helped us defeat past enemies overseas, so to will it help us defeat the efforts of terrorists to attack our Homeland and disrupt our way of life."
>
> *National Strategy for Homeland Security,* July 2002

THIS IS WHERE WE STAND:

- Developed and documented a robust Research, Development, Testing and Evaluation (RDT&E) process that includes risk-based planning for the S&T Directorate's programs and initiatives.

- Continued daily operation, maintenance and deployment of BioWatch, a biological agent detection system, to protect the nation's major population centers from the threat and ramifications of a bioterrorist attack. BioWatch also provided support during the G8, Summit Democratic National Convention and Republican National Convention.

- Selected four cities for the deployment of a new pilot program entitled the Regional Technology Integration (RTI) initiative (formerly "Safe Cities"). The selected cities include: Memphis, TN; Anaheim, CA; Cincinnati, OH; and Seattle, WA. RTI provides an integrated urban all-hazards detection and emergency response system.

- Established a dedicated National Bioforensics Center to support ongoing Federal Bureau of Investigation (FBI) and other law enforcement investigations.

- Established the National Visualization and Analytics Center and the Biological Knowledge Center to improve the analysis of information and close knowledge gaps.

- Established a test and evaluation capability for Radiological/Nuclear Countermeasures at the Nevada Test Site.

- Selected over 100 undergraduate and graduate students, in the fall of 2004, for grants to assist in the study of science and technology issues that support the homeland security mission.

- Launched four Homeland Security Centers of Excellence to date with proposals for fifth under review.

- Issued ten major R&D solicitations to industry and academia through the first 20 months and issued more than 200 contracts for research work to date.

- Collaborated with and assisted other components of the Department to enhance their abilities to meet their missions and become active contributors in interagency working groups — all while staffing this Directorate with some of this country's brightest and most dedicated people.

- Awarded 15 SAFETY Act certifications and 5 designations, received and responded to 100 full applications and 208 pre-applications, and worked to streamline the process.

- Stood up the Department's Office of Interoperability and Compatibility to address the wide range of public safety interoperability programs and efforts currently spread across Homeland Security.

- Improved incident-level, interoperable emergency communications in ten high-threat urban areas by helping to establish command-level interoperability within an hour or less (RapidCom).

- Completed Phase I of the Counter-MANPADS Program and initiated Phase II which will advance the studies initiated in phase I, build system prototypes and conduct effectiveness testing.

WHERE WE ARE HEADED:

- Complete the deployment of Gen 2 BioWatch systems to the top threat cities while continuing to operate and optimize already extant BioWatch systems.

- Focus on developing the ability to detect, interdict and mitigate the consequences from suicide bombers, truck and car bombs approaching high profile targets and densely populated areas. Additonally, provide the ability to detect, interdict and mitigate the consequences of explosives and weapons on aircraft transporting (domestic and foreign inbound) passengers and their baggage as well as cargo containers/bays.

- Redirect all detection related missions and corresponding funding to the establishment of the Domestic Nuclear Detection Office.

- Complete implementation of technology systems solutions for the first four pilot locations of the Regional Technology Integration (RTI) initiative; prepare test and evaluation plans and conduct operational readiness exercises to evaluate the overall system performance.

- Support the seven fully implemented and integrated DHS Centers of Excellence and maintain the steady state of 300 highly talented and diverse students

- Deliver the second annual National Critical Infrastructure Protection (CIP) R&D Plan with agency budget information and a roadmap for deliverables. Incorporate relevant inputs from: a) federal agencies including activities, and levels of effort; b) critical infrastructure sector owners and operators; and c) private and public research institutions and universities.

- The Office of SAFETY Act Implementation will provide additional focus on encouraging small business application, and will begin an outreach effort to appropriate insurance underwriters to ensure their familiarity with the program.

- Develop a protection-mode capability to detect low volatility chemical agents upon release in specific environments.

- Continue operation of the Plum Island Animal Disease Centers (PIADC) and provide the essential upgrades to the 50 year old facility. Continue research and development on next generation vaccines and antiviral therapeutics for foot and mouth disease (FMD) and other high priority foreign animal diseases. Demonstrations of the deployment of rapid foreign animal diseases (FAD) diagnostics will continue.

- Initiate establishment of training and equipment programs through the new Office of Interoperability and Compatibility and continue existing communication interoperability efforts through the SAFECOM Program.

- Build on the design and development effort of the next generation of container security and communications systems to detect intrusion, location, contents and tampering. The requirements for this system include recording and reporting location; detection of intrusion and communication of log history, and sensor and inspection data.